

ECONOMIC COUNCIL LETTER

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Letter No. 52
Tuesday, January 25, 1938

LEGISLATURE
MEETS

New York Legislature is again in session - starts with a somewhat faster tempo than usual - hopes to wind up before end of March, since State Constitutional Convention meets in April.

EIGHTY-TWO
REPUBLICANS

In numbers the Republican Party is stronger than last year, having eighty-two Assemblymen. Three other members ran on both Republican and American Labor Party tickets. There are four straight-out American Labor Party men. There are sixty-one Democrats.

BUT -

We said Republicans were numerically stronger. Whether they are really as strong as the figures indicate remains to be seen. For actually the Republican state organization appears to be engaged in a kind of illicit love affair. They are flirting with the handful of American Labor Party men from down the river. And this affair may prove to be important.

AN ILLICIT
AFFAIR?

Just why the Republican Party, which made such substantial gains in voting strength throughout the whole up-state section, should have even a mild flirtation with this particular group is hard to see. But the Party leadership seems to be controlled in New York City, where the Party strength isn't, rather than in the up-state section where most of the Party strength is. For as a matter of fact, a clear majority of the entire Assembly is made up of up-state Republicans.

DOES NEW
YORK CITY
CONTROL -
WITH ONLY
SEVEN
ASSEMBLYMEN?

The Labor Party people are a wise lot. They know exactly what they want - which is something that can't always be said for the Republicans. That is why Republican state leadership (and New York City Republican leadership - with its seven Republican Assemblymen out of a total of sixty-two Greater New York Assemblymen) is undertaking to tell the New York Assembly what it must do. What did President Roosevelt say the other day about a 4% tail wagging a 96% dog?

CONTROL-OF-
YOUTH AGAIN

Right away we seem to see the effect of this illicit affair in the attitude of the Republican state leadership on the Control-of-Youth Amendment. Never in recent years has there been such protest as the people made against this Amendment at the hearing at Albany last winter. The people recognized that this Amendment would take away from parents all control over their sons and daughters up to eighteen years of age, and would vest it in a government bureau at Washington. Legislators recognized that the amendment, if ultimately ratified by thirty-six states, would deprive the Legislature of an important part of its powers; and that if New York added its approval to that already given by twenty-seven states, nothing could stop the quick ratification by at least eight more states.

DEFEATED
LAST YEAR

And recognizing all this, the Assembly, on March 9th, rose up and killed the control-of-youth Amendment 102 to 42. That was a great day for freedom!

WILL
REPUBLICANS
REVIVE IT?

We did not greatly criticize the committee for reporting the bill last year. But now, apparently, the Republican state leadership (at the instance of its new affinity - the American Labor Party) is toying with the idea of reporting the Amendment again - of again forcing it to a vote! According to newspaper accounts, the big idea is that to force a vote will be to put Democratic Members on the spot - and, incidentally, it will greatly please the Labor Party.

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GROSS
EXAGGERATION
LAST YEAR

Now - remember what this control-of-youth Amendment is. Child labor has been dwindling for years and is almost non-existent today. Last year, the National Child Labor Committee told the people there was widespread child labor in the Carolinas. We promptly sent our special field representative to both states. By the aid of their Labor Departments, she discovered that child labor had been all but wiped out - the stories were largely unfounded.

THAT COLLIERS
ARTICLE WITH
THE POSED
PICTURES

Then Colliers Weekly published in March an article entitled, "Suffer, Little Children, Suffer," in which the most atrocious child labor was said to exist in Haverhill, Mass., - that little tots of seven to ten years of age were compelled to toil at sweated home-work as late as eleven P.M. Colliers actually printed pictures of the children - with a clock on the table to prove the hour. But the Economic Council, after thorough investigation in the very homes where the pictures were made, was able to announce that photographs had been faked. They'd been taken at three o'clock in the afternoon-and the clock turned ahead to look like eleven P.M.!

AMENDMENT
DEFEATED

All this was reported direct to the New York legislative committee - and the emphatic defeat of the Amendment followed.

NEW CLAIMS
THIS YEAR

This year the National Child Labor Committee has been at work again. It has little to say about the Carolinas this year. Instead it goes to far away Missouri, and to certain Gulf states. It claims to have found bad child labor conditions there.

MORE
DECEPTION

But again the claims are grossly exaggerated. The National Committee for Protection of Child, Family, School and Church (with headquarters in St. Louis) has investigated - finds that the problem in Missouri, so far as there is a problem, is not a child labor problem but the social and economic one of a floating population of low-grade squatters and drifters - all in one small industry in one agricultural county. The Missouri Labor Department is studying it more intelligently, and probably more effectively, than a distant Washington bureau ever could. And, much as in the Haverhill cases, affidavits have been obtained by this National Committee that the photographs displayed by the National Child Labor Committee were artificially posed.

TWO
OUTSTANDING
FACTS

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There are two outstanding facts. One is that practically nobody wants any child labor, and that what little there is is disappearing fast. The other is that many of those directing the fight for this Amendment have little real interest in children. They are looking for power - for central control by Washington bureaucrats.

LISTEN

And get this, Citizen - the control-of-youth Amendment is a vital part of the program of the radicals for subjugating the people of this country. Make no mistake about it. If you don't believe it, ask anybody who was at last year's hearing what most of the crowd looked like that swarmed up from New York.

WHY EVEN
CONSIDER
THIS
AMENDMENT

And yet, this is a measure that the Republican State organization seems willing to give the American Labor Party (who are the radicals) a chance to get! Apparently, not the slightest thought is given to the profound issues involved. For a temporary mess of pottage, they would place vital liberties of the people in jeopardy.

ESPECIALLY
NOW

And all this while Rome is burning! For as everybody knows, the Roosevelt Recession has become the Roosevelt Depression. Never in American history has there been a more abrupt decline, not only in actual business, but in confidence. People are wondering if the Country is going to hell. No wonder the great mass of Republican Members of both Houses feel rebellious against this "Four percent tail".

DID YOU
ATTEND
THIS
MEETING?

And we are not changing the subject in what we are going to say now. Last Wednesday night Madison Square Garden was jammed by more than 20,000 Communists and their friends to commemorate the fourteenth anniversary of the death of Lenin. A large banner in the hall said: "Through Democracy to Socialism." Four thousand new members repeated in unison (led by negro comrade James Ford) their pledge to build a Soviet America. Five thousand people, swarming out of the meeting afterwards, attempted a mass picketing of one or more Whelan drug stores. Police reserves were called out. Here in Free America was being staged one of those vicious protests against America - one of those championings of Soviet Russia which, if tables were turned, would not be permitted in Russia itself. Communism was on the march - pledged to destroy the American System.

BROTHERS OR
COUSINS

And if the representatives of the American Labor Party at Albany are not brothers of these Communists, they are at least first cousins. And these are the people the Republican state leadership is playing with.

SEVERAL IMPOR-
TANT THINGS

* * * * *
While not many things will be up this year at Albany - both sides being anxious for early adjournment - yet there are several of importance.

WILL YOU
DO THIS?

First is the Control-of-Youth amendment. We suggest you write to Assemblyman Harry Reoux, Chairman of the Judiciary Committee, Assembly Chamber, Albany, and urge that the Committee dispose of this amendment within the committee - without again reporting it and going through a fight on the floor. Write your own Assemblyman, too.

EXECUTIVE
BUDGET

Then there is the Executive Budget - only slightly smaller than last year. The state departments asked for 547 millions. The Governor finally fixed his budget at 385 millions. In his pruning, he made, we suspect, only the usual type of reductions - a state department always asks more than it expects to get. But the outstanding fact is that the new budget is no reduction from the general levels of present spending. In spite of the reduced income of the people, and of an almost certain lower return from state taxes next year, government spending is to continue on much the same scale.

BUDGET
HEARING
OBTAINED

What is needed instead is to realize that the whole level of spending must be reduced. Early this week, we asked the Ways and Means Committee of the Assembly and the Finance Committee of the Senate for a hearing on the Budget. The former has agreed to hear us Tuesday, January 25th. We shall have some recommendations.

MOFFAT
COMMITTEE

* * * * *
Last year (and partly because of the opportunings of the Economic Council) the Legislature, under resolution of Mr. Ives, appointed a Committee on Fiscal Affairs. Just before the year-end, the Committee reported. Chairman Abbot Low Moffat has done a remarkable job. No one in the Legislature was better qualified than he to undertake the job of envisioning all state finance - indeed, of envisioning the various state activities which must be always in contemplation in dealing with finance - and of making a comprehensive report.

DID
GOOD JOB

The Republican Members of this Commission endorsed Mr. Moffat's report. The Democrats joined with them in signing the report - paying him well-earned tribute for his work. With entire propriety, however, they said they had not had opportunity to give sufficient consideration to the hundred-odd recommendations made by Mr. Moffat to warrant their endorsing, or withholding their endorsement from, the recommendations.

RECOMMENDS
PAY-AS-YOU-
GO POLICY

Many of the recommendations are admirable - none more so than that the state go immediately on a pay-as-you-go basis. Economic Council has long urged this. More about this later.

NEW DEALISM
A FAILURE

The year 1938 may be the most fateful year in the country's history. It is all too apparent that the big idea of the past five years - on the one hand of spending our way out of the depression, and on the other of so shackling our private enterprise that it is difficult for it to perform at all - has been a failure. In the past five years, the Federal Government has added about seventeen billions to the federal debt. New York has added a huge sum to its net bonded debt. The total taxes of the American people (federal, state and local) are nearly one-quarter of all their income. Business, large and small, is discouraged. And now, after five years of this spending-shackling policy, private enterprise is in a tailspin again. Employment has taken a big fall. People are poorer. Business is discouraged. New Dealism, both state and federal, is a hideous failure.

Walter Lippmann said in his column on January 20th that -

WALTER LIPPMANN

"... looking at the whole history since 1929, one reaches the rather startling realization that there has never been a true recovery from the depression. In 1936 and 1937, under the stimulus of vast inflationary measures, great gold imports, cheap money, cumulative deficits, and the soldiers' bonus there was a brief recovery to something like normal, and during that recovery there was a quite considerable amount of spending out of corporate surpluses for capital goods.

But, as soon as the inflationary policy was halted, and the deficit financing stopped, the depression recurred. Does this not indicate that the New Deal recovery was artificial and for that reason temporary, that there has never been a genuine revival of enterprise and investment since 1929?"

YES -

Yes, Mr. Lippmann, that is exactly what it indicates. And while the Federal Government has been the leader, the State Governments - and particularly the governments of the richer eastern states - have followed the cue of Washington.

CHANGE OUR
POLICY!

If ever a change in state policy were indicated - it is indicated now. It is time for a truce in politics. It is time for a sober, non-partisan contemplation of the actual predicament in which we find ourselves.

YOUR CHANCE,
LEGISLATORS,
IS HERE

The New York State Economic Council has been working for seven years, trying to awaken the people of the State and, through them, the Legislature of the State, to a realization of what is coming. Now, what was coming is apparently here. If the New York Legislature at the present Session, however much it wishes for early adjournment, does not do something worth while and adequate in the premises - then, before another year rolls around, the situation may have become so bad as to be beyond repair.

THE NEED

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The need is simple. Let the state revise the whole spending plan - Cast aside the idea that we can shackle our private enterprise and expect it to function - Remove existing shackles - assume no new responsibilities. Let the responsible leaders of the old parties quit playing with Communism.

The day of reckoning has just about come.

What are you going to do about it - Senators and Assemblymen?

Hermon L. Hall

President

NEW YORK STATE ECONOMIC COUNCIL, Inc.

P.S.: On January 15, 1938, the President of the Council addressed the Women's Republican Club of Massachusetts at Boston on the subject: "This American System". Printed copies are being mailed free to all subscribing members - will be sent on application to anybody requesting it.